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10 February 1983

MEMORANDUM FOR: NIO for Economics

THROUGH : Deputy Director for Economic-Resource Analysis  
Office of Global Issues

FROM :   
Chief, Energy Issues Branch

SUBJECT : Status of Shadow Studies (U)

1. Work continues on our efforts to produce a shadow study of the IEA study on energy requirements for OECD countries. We are preparing separate studies on Europe  As you know,

2. The energy requirements study is moving along slowly from our perspective. We plan to use the same approach as was used in NSSD-9 by assembling all recent public and private energy forecasts and determining a plausible range of forecasts based on reasonable price and economic growth assumptions. The problem with this approach is that only now are companies completing updates of year earlier forecasts. We have been invited by several oil companies to discuss their projections which we will do in the coming weeks. State has also been asked to task embassies for reporting on projections by foreign companies (Shell, BP, etc.). Until we can get a useful sample of recent projections, our overall analytical effort will be slowed. (C)

3. Work continues on the Bill Helkie linked model which could prove a useful tool for measuring economic impacts of disruptions. In the meantime, EIA's model will be used to compare energy demand projections and estimate economic impacts as part of the US effort to contribute to the IEA analysis. (C)

4. Infighting between State and NSC has led to a great deal of lost time in attending meetings, sorting out work schedules and other bureaucratic procedures with Bill Martin initiating the

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latest round of difficulties. I or a member of my branch have attended four meetings on the study in the last six working days alone; four more meetings are now scheduled over the next five working days. Much of this is to prepare others to attend a Dourdan meeting on the IEA study on February 23-24. The initial IEA draft is to be received 15 February and we are required to provide substantive review comments for State. (C)

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6. State has reminded us of the responsibility for delivering the energy requirements shadow study by mentioning that MacFarlane (NSC) had called Ambassador Fairbanks to ensure that the study was on track. It was also mentioned that "you wouldn't want to have Judge Clark giving Casey a call on this matter." (C)

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8. I will be attending a meeting at State on February 11 to brief Ambassador Fairbanks on the status of the shadow studies. (C)

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